

# EXHIBIT 15

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS**

ASSOCIATION OF AMERICAN  
UNIVERSITIES, *et al.*,

Plaintiffs,

v.

DEPARTMENT OF HEALTH & HUMAN  
SERVICES, *et al.*,

Defendants.

Case No. [\_\_\_\_]

**DECLARATION OF LAURENT HELLER**

I, Laurent Heller, declare as follows:

1. I am the Executive Vice President for Finance and Administration at Johns Hopkins University (“JHU” or the “University”) in Baltimore, Maryland. I have held that position since June 2021. In my role, I am responsible for ensuring the overall fiscal and administrative health of JHU. I lead all financial and administrative affairs for the university and oversee the financial offices of the controller, investment management, planning and budget, and treasurer, as well as the administrative areas of human resources, information technology, purchasing, risk management, and internal audit.

2. As the Executive Vice President for Finance and Administration, I have personal knowledge of the contents of this declaration. To the best of my knowledge, the following reflects my review of information and records gathered by JHU personnel, and I could testify thereto.

3. Through highly competitive, peer-reviewed, and merit-based grant selection processes, JHU scientists have been awarded substantial annual funding from the National Institutes of Health (“NIH”) each year for many decades. In fiscal year 2024, JHU received a total

of approximately \$1,022,300,000 in NIH funding, including approximately \$281,446,000 (27.5% of the total) as reimbursement for indirect costs, in connection with 3,232 active awards. In other words, in fiscal year 2024, 72.5 cents of every dollar that JHU received from NIH was spent in direct pursuit of innovative, competitively chosen research projects, while 27.5 cents of every dollar went to cover an agreed-upon portion of JHU's facilities, equipment, and research support necessary to conduct that research.

4. Through its awards to JHU, and its reimbursement of indirect costs, NIH supports critical and cutting-edge medical research, which millions of Americans benefit from and depend on. JHU's research focuses on understanding, mitigating, treating, and curing a broad array of human ailments and life-threatening diseases and conditions, including cancer, cardiovascular disease, malaria, Lyme disease, influenza, Alzheimer's, and many more. A sample of the broader universe of projects that could not proceed as planned if NIH were to dramatically reduce its share of indirect costs includes:

- a. A clinical trial comparing standard therapy with immuno-oncology therapy for children and adults with newly diagnosed Stage I and II classic Hodgkin lymphoma, to determine whether adding immunotherapy to the standard treatment of chemotherapy may increase survival and/or fewer short-term or long-term side effects compared to the standard treatment alone.
- b. Hundreds of research projects across many fields, from pediatric cancer biomarkers to suicide prevention to dense suspension physics, involving demanding state-of-the-art computational data science for which Advanced Research Computing at Hopkins ("ARCH") provides essential and secure data storage, high-speed computing, and data processing.

- c. The study of DNA coiling and packaging within cells to understand the effects of anticancer drugs on enzymes that regulate these processes, using a cutting-edge cryo-electron microscopy facility. The faculty member who leads this work has been recognized with an Outstanding Investigator Award from the National Cancer Institute.
- d. A clinical trial on evaluating the efficacy of a single targeted treatment for multiple food allergies, which has the potential to improve and save lives around the world.
- e. Providing mRNA design and manufacturing services to researchers and companies within and outside of JHU, focusing on the treatment of chronic diseases and cancer, at JHU's RNA Innovation Center.
- f. A clinical trial concerning an increasingly occurring form of heart failure, which challenged the conventional view of the heart muscle in some three million patients.
- g. Study of traumatic brain injury responses in military personnel, athletes, and others, in order to identify high-risk patients for poor recovery and long-term effects like PTSD, depression, and post-concussive syndrome using biomarkers, and to develop effective treatments, at JHU's PRECEDE Biomarkers Laboratory, a recently constructed 1,800-square-foot facility developed in part using indirect cost support.

5. Overall, there are approximately 600 NIH-funded clinical trials underway at JHU. The focus areas of these trials include cancer, pediatrics and children's health, heart and vascular studies, lungs and critical care, the brain and nervous system, gastroenterology and liver studies,

eye studies, diabetes and endocrine studies, gynecology and obstetrics, infection studies, and skin studies. Examples of current NIH-funded clinical trials include studies focusing on innovative treatments for pediatric and young adult craniopharyngioma (a rare type of brain tumor), investigations into right ventricular failure markers in heart failure patients, and a comparative analysis of standard therapy versus immuno-oncology approaches for newly diagnosed Hodgkin lymphoma across various age groups.

6. NIH's reimbursement of its portion of indirect costs is essential for supporting all of the above and a vast array of other critical research at JHU. The proposal to cap indirect cost rates at 15% could end, seriously jeopardize, or require significant scaling back of the projects and infrastructure described above, as well as hundreds more projects of importance for life-saving medical discoveries, treatments, cares, and cures.

7. Physical space costs are one of the largest components of indirect costs, and the amount of space available to researchers has a direct and obvious impact on the amount of research that can be done at JHU. JHU maintains a physical space inventory of owned and leased facilities totaling approximately 19 million square feet across hundreds of buildings and multiple campuses in Maryland and the District of Columbia, among other locations. Each JHU school engaged in federally funded research allocates funds annually to update and renovate its facilities, relying on NIH to pay its share of research-related indirect costs to recover an essential portion of that investment. Any significant reduction in indirect costs will hinder the University's ability to make necessary improvements and could prevent the operation of research buildings in part or whole, severely affecting ongoing research activities.

8. In addition, NIH's share of indirect costs funds the administration of awards, including staff who ensure compliance with a vast number of regulatory mandates from agencies

such as NIH.<sup>1</sup> These mandates serve many important functions, including protecting people involved in research; ensuring research integrity; properly managing and disposing of chemical and biological agents used in research; preventing financial conflicts of interest; managing funds; preventing intellectual property, technologies, or national security expertise from being inappropriately accessed by foreign adversaries; and providing the high level of cybersecurity, data storage, and computing environments mandated for regulated data.

9. NIH's indirect cost payments contribute to, in whole or in part, the maintenance of many facilities as well as shared research lab equipment; IT infrastructure and cybersecurity; regulatory compliance; safety measures; library resources and journal access; space and facilities maintenance; and administrative support to properly steward federal funding, among other necessary costs. Even with its negotiated indirect cost reimbursement rates, JHU is left paying a portion of these costs. Without shared funding of these vital services, infrastructure, and equipment, JHU researchers cannot continue to conduct significant amounts of their research.

10. A reduction in funding for NIH's share of indirect costs will have deeply damaging effects on JHU's ability to conduct research from day one. Most critically, it will necessarily and immediately result in planning for staffing reductions that support the research enterprise. For example:

- a. JHU employs numerous research compliance officers, who are charged with ensuring that JHU research comports with the requirements of numerous federal statutes and regulations. Without appropriate funding for NIH's share of indirect costs, the University would have to immediately develop plans to reduce staffing in such areas as research security, conflict of interest

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<sup>1</sup> <https://grants.nih.gov/grants/policy/nihgps/nihgps.pdf>

compliance, research integrity, export controls, biosafety, and classified/restricted research, which would lead to substantial delays in critical research that must be carried out in compliance with federal law.

- b. JHU uses indirect cost funding to ensure the protection and ethical treatment of human participants involved in potentially life-saving clinical studies and other research projects. JHU operates three Institutional Review Boards (“IRBs”) charged with reviewing and managing all research involving human subjects, including clinical trials, to ensure the ethical treatment of the people involved in our research and the protection of their privacy. For example, the School of Medicine IRB has nearly 12,000 human research protocols. Without appropriate funding for NIH’s share of indirect costs, the University may need to immediately develop plans to reduce staffing on the IRBs, which would immediately impact the IRBs’ ability to review research projects. That could in turn lead to substantial delays in critical research that relies on human subjects, including projects funded by NIH.

11. A reduction would also significantly reduce support for the facilities and administrative needs that are essential to the types of research discussed above. For example:

- a. JHU maintains a Materials Characterization and Processing Center for advanced microscopy, and multiple Bio-Safety Level (“BSL”)-2 and BSL-3 facilities dedicated to developing therapies and conducting research on diseases with significant consequences for humans, such as fungal infections, malaria, and Lyme disease. Facilities also focus on influenza virus surveillance, antibody therapy development, and studying human immune responses.

- b. JHU also maintains complex equipment including with mass spectrometers and flow cytometers to advance understanding of exposure, as well as biorepositories that preserve critical research specimens.
- c. Clinical Research Units and data hubs support clinical trials and disease modeling, while various facilities underpin vaccine development, biomarker research, Alzheimer's studies, and public health campaigns related to tobacco and cannabis. Infrastructure also supports HIV interventions, mental health initiatives, and safe infant sleep practices, and other community-based research.
- d. JHU's ARCH facility requires secure data storage, high-speed computing, and telecommunications, essential for effective and efficient research operations.
- e. JHU maintains a robust research regulatory compliance infrastructure for all NIH research awards, which includes personnel, technology, professional services, and supplies in such areas as research security, research integrity, export controls, biosafety, and classified/restricted research.
- f. JHU meets all necessary safety measures on all NIH research awards, including maintaining radiation, biological, and chemical safety standards in facilities such as BSL-2 and BSL-3 labs that are critical for studying pathogens with significant impacts on human morbidity and mortality, such as Lyme disease and influenza.
- g. JHU provides comprehensive library resources and research facilities to support NIH-funded research, ensuring researchers stay informed and innovate and providing essential databases and journals that are critical for conducting literature reviews and following with scientific advancements.



- h. JHU invests in the physical infrastructure of research, from laboratories to research-related office space, based upon longstanding rules for NIH contributing its share of indirect costs. Maintenance of this infrastructure includes essential systems such as HVAC, power, ventilation, heating, air conditioning, water, lighting, and specialized technical capabilities and environments crucial for the proper functioning of these buildings, such as clean rooms and temperature-controlled laboratories.
- i. Administrative support is necessary to the operation of the overall research infrastructure described above, including sponsored awards management, compliance monitoring, human resources, and financial oversight.

12. Recovery of JHU's indirect costs is based on predetermined rates that have been contractually negotiated and regularly updated with the federal government, based on extensive documentation of JHU's costs and investments for conducting NIH-funded research.

13. Through fiscal year 2026, JHU and HHS contracted for indirect cost rates of 55% for on-campus organized research, 26% for off-campus organized research, 45.5% for on-campus instruction, 26% for off-campus instruction, 27% for other on-campus sponsored activities, and 15.5% for other off-campus sponsored activities.

14. The impact of a 15% cap on NIH's portion of indirect costs would be immediate and devastating to all NIH research at JHU. Of the approximately \$1,022,300,000 in NIH funding that JHU received in fiscal year 2024, approximately \$281,446,000 (27.5%) was allocated for NIH's share of indirect costs. In fiscal year 2025, JHU has budgeted to receive similar amounts of NIH funding. Based on the indirect cost rates agreed upon by the federal government as of July 23, 2024, and JHU scientists' longstanding success in winning awards through NIH's rigorous

peer-review process, JHU has budgeted to conduct research requiring NIH's share of approximately \$280 million or more in indirect cost recovery.

15. If—contrary to what JHU has negotiated with the federal government and relied upon in making research-related investments—the indirect cost rate is reduced to 15%, JHU's anticipated annual indirect cost recovery would be reduced by nearly three-fourths—more than \$200,000,000—based on fiscal year 2024 data.

16. Indirect cost reimbursement from private foundations is an inappropriate comparator for federally funded research. Often research supported by private foundations is lower-cost desk-based policy research or field projects (relative to resource-intensive, lab-based research typically funded by the NIH and other federal science agencies). In addition, private foundations use different accounting guidance to determine what qualifies as direct versus indirect research, often permitting direct costs that the government classifies as indirect. Finally, the amount of research conducted by private foundations is a relatively small fraction of our overall research portfolio.

17. In large part due to the support from and partnership with the federal government, JHU and our research university peers have built and maintained a research ecosystem that nurtures scientific inquiry, fuels national economic growth and competitiveness, saves and improves lives, and is the envy of the world. It has taken many decades for research universities to create this ecosystem, but it can be broken and diminished very rapidly if indirect cost funding is dramatically reduced. JHU has a real and lasting reliance interest in the existing research partnership with NIH, which has driven numerous recent actions and current and future plans. We recruit world-class researchers, build buildings, and design new cutting-edge core research facilities on the basis of this decades-long partnership and the federal regulations underpinning it.

18. JHU has for decades relied on NIH to fund its share of indirect costs. And until now, we have been able to rely on the well-established process for negotiating indirect cost rates, and the longstanding success of our scientists in the competitive award process, to inform our budgeting and planning. JHU's most recent agreement with the federal government is dated July 23, 2024, is signed by an official of the Department of Health and Human Services, and provides indirect cost rates running through the end of fiscal years 2026 and 2027. Operating budgets rely on an estimate of both direct and indirect NIH research funding to plan for annual staffing needs (*e.g.*, post-docs, PhD students, and other research staff), infrastructure support (*e.g.*, IT networks, regulatory compliance, and grant management support), and facility and equipment purchases. In some cases, JHU has made long-term obligations—for example, faculty salaries, funding for admitted PhD students, and lease or construction of research facilities—in reliance on budgeted grant funding, including the associated federal share of indirect costs, to fulfill these commitments.

19. In addition to the immediate impacts and reliance interests described above, there are longer-term research impacts that are both cumulative and cascading. Some specialized research core facilities require ongoing funding support. Similarly, lab facilities must be maintained. JHU's robust information technology and cybersecurity infrastructure to support research must be maintained and refreshed on an ongoing basis. Library resources must be kept up to date to avoid limits on access to critical scientific information. A failure to maintain these and other vital components of JHU's research infrastructure would lead to deteriorating physical and technological conditions. Moreover, even if NIH's share of indirect cost funding were subsequently restored to the level contemplated in JHU's contractual agreement with the federal government, certain clinical trials and other experiments might have to be restarted, while others simply might not be able to be restarted.

20. Disruptions to JHU's research will also have negative effects in the Baltimore metropolitan area, the state of Maryland, and the broader region. JHU employs tens of thousands of individuals, many of them Maryland residents—and the University collaborates with state and local partners to help solve regional challenges through joint research and innovation. JHU's research also fuels spending in the regional economy, including by driving discoveries that launch new ventures, attract private investment, and make a positive social impact. A significant reduction in JHU's research budget would immediately and seriously jeopardize these contributions to the local region.

21. Slowdowns or halts in research by JHU and other American universities could allow competitor nations that are maintaining and even expanding their investments in research to surpass the University and the United States on this front, threatening our Nation's national security, economic performance, and leadership in medicine and science.

22. Nor can JHU cover the funding gap itself. As a non-profit institution, the University reinvests nearly all of its revenue into mission-critical activities such as educational programs, financial aid support for students, and non-sponsored research. Many of these activities come with external, legally binding restrictions from donors and other funders as to how or when funds can be spent. JHU therefore has little margin to absorb unexpected funding gaps.

23. Moreover, absorbing NIH's share of indirect costs, even if it were possible, would create long-term budget pressures on JHU—which would in turn force reductions in key investments supporting the University's faculty, students, staff, research, and teaching infrastructure, as well as other critical activities needed to maintain JHU's academic excellence.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 10, 2025, at Baltimore, Maryland.

/s/ Laurent Heller  
Laurent Heller